

# **NEW HAMPSHIRE STATE LIQUOR COMMISSION**

## **MINUTES OF MEETING – JUNE 27, 2002**

**PRESENT:** Chairman John Byrne and Commissioner Patricia Russell; John Bunnell, Administrator of Marketing & Sales; Craig Bulkley, Bureau Chief of Administrative Services; Peter Engel, Director of Store Operations; Howard Roundy, Director of Information Technology; Richard Gerrish, Spirits Marketing Specialist; Nicole Horton, Wine Marketing Specialist; George Tsiopras, Chief Accountant; Al Picconi, United Beverages, Inc.; Michael Goclawski, Law Warehouses

**EXCUSED:** Commissioner Anthony Maiola

### **I. FINANCIAL & ADMINISTRATIVE REPORTS**

#### **1. Financial Reports**

##### **A. Weekly, Y-T-D Sales Reports:**

Because the week was not closed out this past Sunday, the SA1000 and W-I Total Weekly Sales reports were not available. The traffic count was up 5,097, as was the average sale by \$.37.

##### **B. Budget Reports:**

There was nothing of significance to report regarding the current outstanding post-offs and depletions report, as all accounts are up to date at this time.

Nobis Engineering has completed the RFP for asbestos removal, which has gone out to area vendors. The next step will be to review proposals which are received.

Craig requested that the other two chiefs provide him with out-of-state travel projections for the coming fiscal year. These will be presented to the Commission at the July 11<sup>th</sup> meeting.

7-D's will be submitted to Administrative Services tomorrow morning on the date they are due.

Negotiations for extension to the ACR software contract have been successful, and should be on the Governor and Council agenda for July 10<sup>th</sup>.

According to the latest W-6 Expense Budget Activity Variance Report, the target percentage expended is 89.63%. However, total agency expenditures are at about 94%. Documents have been put together for negative balances. About \$37,000 is needed from the Salary Benefit Adjustment fund.

**NEW HAMPSHIRE STATE LIQUOR COMMISSION  
MINUTES OF MEETING – JUNE 27, 2002**

**Page Two**

The final two rubbish contracts are ready for the next Governor and Council meeting; rubbish contracts will then be done for the next five years. Work is being done on the carriage care and floor contracts. Seven or eight contracts plus a \$20,000 transfer were approved by Governor and Council yesterday.

A meeting of the credit card RFP committee was held this morning. The RFP is very close to a final version, the draft of which will be send out within the next several days. It should be released to the public about mid-July, with a December award date. The current extension will support this program up to March 1, 2003.

Class 50 monies for Store Operations will lapse this year – George congratulated all who made this possible.

**2. IT Reports**

Howard reminded everyone that this weekend is year end, and systems will be hard to access this coming Monday. As much IT work will be done early in the day as possible.

Installation of the new Dell system is still on track. The entire headquarters office is done, with the exception of two computers, which will be changed tomorrow. The warehouse will be installed next week, and then Enforcement the week of July 22nd. There have been several small problems, mostly concerning printers and outlook. Also, roaming profiles are not working as smoothly as desired.

In addition, the first production system was put up this week. There will be a few other items to install next month, including the Enforcement server and new rack. Tests will be conducted on the Mapper system, which will be quite extensive. The IT department will be very busy throughout the month of July, but it is expected that everything will be done by the end of the month.

Howard spoke with Jerry Janicki of NABCA, and an agreement has been reached on daily statistical reporting. There will be a telephone conference next week to finalize the details. Early September is targeted for this new program to kick in.

A presentation was made to the wine brokers on Electronic Product Specifications yesterday. They had some good input, and several changes will be made. It was determined that it will be the price change for the quarter of February 2003 before these changes will be truly effective.

**II. MARKETING & SALES REPORTS**

**1. Store Operations**

Store sales are still strong, up from the same week last year by \$421,258.24 or 8.78%. Peter commented that the two Hampton highway stores are doing very well now.

**NEW HAMPSHIRE STATE LIQUOR COMMISSION  
MINUTES OF MEETING – JUNE 27, 2002**

**Page Three**

The #38 Portsmouth paving process is moving along on time. The next focus will be on July 4<sup>th</sup> and the summer promotion. The Volkswagen beetle is at Plaistow, Derry and Londonderry today.

John Bunnell reported that the winner of the Dream Kitchen contest is a woman living in White River Junction, Vermont who works at Dartmouth Medical Center. She will be here in a few weeks to meet with the advertising agency and Distinctive Kitchen representatives.

2. Warehouse Report

Currently state stock is 424 cases less ending the year in the Concord Warehouse than last year.

3. Purchasing Report

Referring to the latest out-of-stock report, John commented that many of the listed items are new or allocated.

4. Merchandising Report

A. SPIRITS:

1) Test Market Products:

a. Test Market Request (Ciclon):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from United Beverages, Inc./Bacardi USA, Inc. for a new test marketing listing for Ciclon, 750ML size (assigned Code #4219), as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. Test Market Request (Stoli Raspberi & Vanil, Midori Melon Liqueur, Sauza Hornitos Tequila):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from Horizon Beverage Company/Allied Domecq Equity Division, for 50ML size listings for Stoli Raspberi (assigned Code #3671), Stoli Vanil (assigned Code #3661), Midori Melon Liqueur (assigned Code #5301) and Sauza Hornitos Tequila (assigned Code #3951), as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by

**NEW HAMPSHIRE STATE LIQUOR COMMISSION**  
**MINUTES OF MEETING – JUNE 27, 2002**

**Page Four**

John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

c. Line Extension Request (Smirnoff Vanilla Twist):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from United Beverages, Inc./Diageo North America for a line extension for Smirnoff Vanilla Twist, 1.75L size (assigned Code #3873), as this brand in the 750ML size has exceeded the gross profit required for an added size listing, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

2) August Special Offers (spirits):

a. 1 item – Horizon Beverage Company:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a special offer from Horizon Beverage Company, based upon depletions of one (1) spirit item, to be featured on sale during August 2002, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. 1 item – United Beverages, Inc. (M.S. Walker, Inc.):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a special offer from United Beverages, Inc./M.S. Walker, Inc., based upon depletions of one (1) spirit item, to be featured on sale during August 2002, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

c. 1 additional item – United Beverages, Inc. (Barton Brands):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve an additional special offer from United Beverages, Inc./Barton Brands, based upon depletions of one (1) spirit item, to be featured on sale during August 2002, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

**NEW HAMPSHIRE STATE LIQUOR COMMISSION  
MINUTES OF MEETING – JUNE 27, 2002**

**Page Five**

- d. 1 item – United Beverages, Inc.:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a special offer from United Beverages, Inc., based upon depletions of one (1) spirit item, to be featured on sale during August 2002, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

**B. WINES:**

- 1) Special Offers for the Premium Wine Sale to Run July 29-September 29, 2002:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers submitted by Pine State Trading Company and Executive Wine Company, to be featured during the Premium Wine Sale (July 29 through September 29, 2002) in order to help liquidate old inventory, but table those offers submitted by United Beverages, Inc. and Martignetti Companies of N.H. pending a report on what stores the products are located in, date of purchases and amount of purchases, and information on retail prices in the region. (In addition, the Commission requested the same report regarding the submissions of Rosenblum wines from Executive Wine & Spirits.) The motion was unanimously adopted.

- 2) Special Offers for August and September 2002 (wines):

- a. 2 items – United Beverages, Inc. (Bandrock Station):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve an offer from United Beverages, Inc. of a special purchase on two Bandrock Station wine codes, to be featured on sale during August and September 2002, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- b. 102 items – United Beverages, Inc.:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers from United Beverages, Inc., based upon depletions of one hundred and two (102) wine items, to be featured on sale during August 2002, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- c. 154 items – Martignetti Companies of N.H.:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers from United Beverages, Inc., based upon depletions of one hundred and two (102) wine items, to be featured on sale during August 2002, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- d. 8 items – Martignetti Companies of N.H. (Summer of Savings):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve special offers from Martignetti Companies of N.H., based upon depletions of eight (8) wine items, to be featured on sale during August 2002 as part of the Summer of Savings Program, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 3) Recommended Wine Specialty Products (1 item):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve the listing of one (1) wine item as a wine specialty product, to be carried in wine specialty stores, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 4) Recommended Allocated and Restricted Wines for Distribution to Selected Stores:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve three (3) wine codes to be designated as allocated or restricted wines for distribution to selected stores, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 5) Primary Source Submissions (5 items – exclusive agent; 8 item – imported):

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve the listing of five (5) wine codes which are not from primary source, but are offered by the exclusive marketing agent and eight (8) wine codes which are not from primary source, but are imported, as recommended by Nicole Horton, Wine Marketing Specialist and concurred by

**NEW HAMPSHIRE STATE LIQUOR COMMISSION  
MINUTES OF MEETING – JUNE 27, 2002**

**Page Seven**

John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

**III. ENFORCEMENT & LICENSING REPORTS – None.**

**IV. CHAIRMAN'S REPORT & LATE ITEMS**

1. Contracts/Leases: None.

2. Bailment Requests:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve all reviewed requests for bailment releases/transfers dated June 21 through June 27, 2002. The motion was unanimously adopted.

3. Coupon Approvals: None.

5. Late Items:

a. August Special Offer (1 item – United Beverages, Inc.):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve a special offer from United Beverages, Inc., based upon depletions of one (1) spirit item, to be featured on sale during August 2002, as recommended by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. Special Offers for the Premium Wine Sale to Run July 29 – September 29, 2002:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve additional special offers from Martignetti Companies of N.H. to be included in the Premium Wine Sale (July 29 – September 29, 2002), as recommended by Nicole Horton, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

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John W. Byrne, Commissioner

/D. Hartford

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Patricia T. Russell, Commissioner

